

Bulletin 3

**ACCIDENT AND SICKNESS INSURANCE –
NON-CANCELLABLE GUARANTEED RENEWABLE POLICY -- RESTRICTIONS**

June 28, 1956

Any statement in an accident and sickness policy or in any advertisement thereof or in any representation thereof to the effect that such policy is non-cancellable and/or guaranteed renewable is a misrepresentation where the premium, benefit, or risk is adjustable by the insurer unless there is also used in close conjunction to such statement further words disclosing accurately and clearly the nature of any right by the insurer to in any way modify or adjust the premium, benefits, or risk. Where premium, benefits, or risk are not guaranteed, the non-cancellable and/or guaranteed renewable feature of an accident and sickness policy may be a snare and delusion creating no substantive rights. In order to fully effectuate this directive, the Department further declares that words equivalent to, or substantially representing, that a policy is non-cancellable and/or guaranteed renewable shall not be used unless there is also used in close conjunction thereto further words disclosing accurately and clearly the nature of any right by the insurer to in any way modify or adjust the premium, benefits, or risk.

The Department will consider the effect of this directive with a view to determining the need for a further directive defining the scope of the phrases "non-cancellable" and/or "guaranteed renewable."

William J. Davey
Insurance Commissioner

Withdrawn